

SUBJECT MATTER: Governor's Proposed FY 2022-2023 Budget for Human Services Agencies

Date of Public Testimony: March 3, 2021

From: Will Holub, CT Medicare Savings Program Enrollee since 2016

To: CGA Appropriations Committee

RE: Reasons I Oppose the Proposed Medicare Savings Program(MSP) Asset Test

I am a 69 year old resident of Old Lyme and a Medicare Savings Program Enrollee since 2016. I live in a Hud-subsidized senior community, where the majority of the residents are single women between 70 and 90 years old, and 70% of the residents are MSP enrollees. Please allow me to draw your attention to a proposal in the Governor's Proposed Budget recommending the imposition of an asset test on this essential Program and explain why I oppose it.

SOME OF THE REASONS I OPPOSE THE PROPOSED MEDICARE SAVINGS PROGRAM (MSP) ASSET TEST ARE:

AN MSP ASSET TEST WILL TAKE LIFE-SAVING HEALTHCARE AWAY FROM MANY OF THE STATE'S MOST VULNERABLE ELDERLY RESIDENTS DURING AN ON-GOING AND DEADLY PANDEMIC WITH NO END IN SIGHT.

The imposition of an MSP asset test would take life-saving healthcare coverage away from my neighbors and potentially thousands of other MSP enrollees in the midst of an ongoing pandemic that has disproportionately - and fatally - impacted seniors. It is also clear that, because the state has freely provided this life-saving healthcare coverage for over a decade, thereby allowing the enrollees to plan their budgets and spending around it, the state has an ethical responsibility to sustain the MSP in its present form. Otherwise, it will only add more stress to the isolation and fear that this vulnerable population is already burdened with.

ASSET TESTS ARE EXPENSIVE TO ADMINISTER.

Research on the efficacy of MSP asset tests reveals that Arizona, for instance, eliminated its test because the cost of collecting and verifying asset data was greater than any savings realized after its imposition. When our neighbor New York lifted its own MSP asset test in 2008 (just 2 years before Connecticut did the same), it likewise determined that reviewing asset information is the most time-consuming task in the enrollment process and that eliminating the need to conduct asset tests would reduce staffing needs at the local DSS office level, concluding that rather than excluding low-income individuals with some savings from the program, the State of New York needed to protect its most vulnerable population in an increasingly complex, costly healthcare system and eliminate the asset test for all three levels of the Medicare Savings Programs.

THE DSS DOES NOT KNOW HOW MANY PEOPLE WILL LOSE THEIR COVERAGE.

Because the Department of Social Services (DSS) has not been collecting asset information from MSP enrollees over the last 10 years (unless also enrolled in other programs like SNAP), it has little to no data upon which to base any accurate budget projections, or predict just how many seniors will be impacted. (It is also noteworthy that the SNAP program waives the asset test requirement for seniors.) Without knowing this in advance, the DSS is failing to responsibly protect and serve the state's most vulnerable residents.

THE DSS ASSET TEST PROPOSAL DOES NOT OFFER TO WAIVE THE ASSET TEST FOR THE TWO LEVELS OF MSP COVERAGE FULLY FUNDED BY THE FEDERAL GOVERNMENT.

When New York was reviewing whether to retain its MSP asset test (before eliminating it in 2008), it recommended that at minimum the asset test should not apply to those levels of the MSP (ALMB and SLMB in CT) which only pay the Medicare Part B premium and provide "Extra Help" with prescription drug costs since they are fully funded by the Federal government. Yet the DSS asset test proposal does not offer to provide this crucial and necessary help to the many low-income seniors who would lose their more comprehensive QMB coverage because of it.

CONNECTICUT WILL NO LONGER BE A NATIONAL HEALTHCARE LEADER.

The Connecticut asset test proposal claims to align itself with a recent change to Massachusetts' MSP, when in fact Massachusetts was actually following Connecticut's lead by *expanding* its coverage to include more seniors, not less. Since 2010, Connecticut has led the way in this regard, so imposing a restrictive MSP asset test that would shrink its coverage now has absolutely no justification; in fact, it would undermine other efforts being made to make Connecticut a desirable state for businesses to open and prosper in, families to settle in, and seniors to remain in during their retirement years.

ASSET TESTS ARE INEQUITABLE.

The proposed MSP asset test would exempt a home. It is inequitable to allow a low-income CT senior who owns a home worth \$200,000 to qualify for the MSP, while other low-income seniors who have worked hard all their lives to put aside some precious retirement savings would no longer be eligible.

LOW-INCOME SENIORS ENROLLED IN THE MSP PROGRAM ARE NOT WEALTHY.

Seniors living on Social Security may have some modest savings, but the MSP's existing income eligibility limits will prevent those with substantial income-producing

savings and/or investments from qualifying in the first place. Imposing an expensive-to-administer asset test on the MSP is redundant and a waste of DSS resources.

A SENIOR'S LIFE-SAVINGS DO NOT GROW AND MUST SOMETIMES LAST FOR 30 YEARS WHILE LIVING ON SOCIAL SECURITY.

The truth is that a senior's life savings are a finite resource that reduce stress and provide a sense of security, independence and well-being, and serve as a rainy day fund for critical emergencies. If anything, seniors with life-savings that would disqualify them from the MSP if an asset test were imposed should be applauded rather than penalized for having the discipline and foresight to set aside some money that must last in many cases for 30 years of retirement while living on Social Security.